

News Release

KENTUCKY CENTRAL LIFE INSURANCE LIQUIDATOR REACHES AGREEMENT WITH DUDLEY WEBB Lexington real estate developer agrees to pay \$1 million to Kentucky Central estate

FRANKFORT, Ky. (Oct. 13, 2005) – An agreement approved in Franklin Circuit Court late yesterday ends over a decade of litigation between the liquidator of Kentucky Central Life Insurance Co. and Lexington developer R. Dudley Webb. The legal claims were related to the failed insurer's loans to Webb, as well as business transactions with his affiliated development companies.

Under the agreement, Webb will pay \$1 million to the Kentucky Central estate and both parties will drop all remaining claims.

"This brings to an end what has been a lengthy and expensive process," said Glenn Jennings, Kentucky Central liquidator and executive director of the Kentucky Office of Insurance (KOI). "We believe it was in the best interest of the estate to accept this offer, particularly due to certain financial disclosures released by Mr. Webb during court proceedings."

KOI assumed control of Kentucky Central in February 1993. The company entered liquidation in 1994. In July 2005, the estate received \$2.85 million in a settlement with Webb's brother and business partner, Donald W. Webb, and his wife, Julie.

As part of the settlement, both parties have agreed not to comment further on the details of the court proceedings.